

# GMO RESOURCES FUND

## THE OPPORTUNITY

- Long-term supply and demand dynamics in natural resource markets favor upward price trends – demand growth is being driven by population growth and the development of emerging markets, while supplies of cheap, easy to access natural resources are declining.
- Resource equities have a long-term record of strong performance and have historically traded at a discount to broader global equities.
- Resource equities have performed well historically during inflationary periods.
- Diversification is among the most compelling arguments for investing in resource equities due to their low-to-negative correlations with the broad equity market over the medium and long term.
- Resource equities are particularly inefficient and provide investors with significant alpha opportunities.

## OUR APPROACH

**Targeted Universe Definition:** We identify businesses that will benefit from a broad rise in resource prices (e.g., refiners, paper companies, etc.).

**Resource Diversification:** We diversify across resource segments and take a holistic view of the opportunity set, including the opportunity in clean energy.

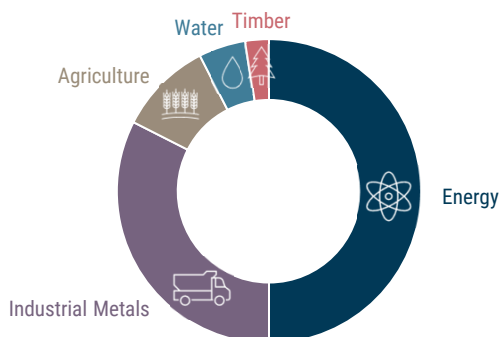
**Value Focus:** Our proprietary valuation model has been effective in the resources sector. The success of our strategy does not depend on forecasting commodity prices.

**Global Scope & Lack of Size Bias:** We will invest across the capitalization spectrum and in opportunities from around the globe.

**Investing with Conviction:** GMO's firmwide philosophy of investing with conviction over the long-term is consistent with success in the resources sector.

**ESG:** Environmental, Social, and Governance (ESG) factors are integrated holistically into our investment process.

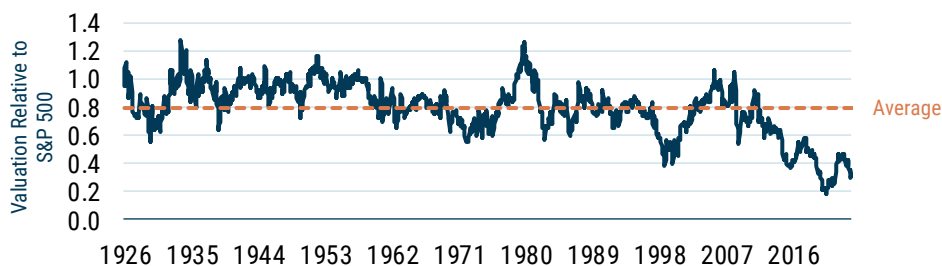
## STRATEGIC ALLOCATION TARGETS



Source: GMO. Actual allocation targets set at a more granular level.

## RESOURCE EQUITIES HAVE HISTORICALLY TRADED AT A DISCOUNT

Valuation of Energy/Metals Companies Relative to the S&P 500



Source: S&P, MSCI, Moodys, GMO. Valuation metric is a combination of P/E (Normalized Historical Earnings), Price to Book Value, and Dividend Yield.

## PORTFOLIO MANAGEMENT



**Lucas White, CFA**

- Joined GMO in 2006
- 26 yrs industry experience
- B.A. from Duke University



**Tom Hancock**

- Joined GMO in 1995
- 28 yrs industry experience
- Ph.D. from Harvard University

## CONTACT US

For more information on this product please email us at [access@gmo.com](mailto:access@gmo.com) or reach out to your relationship manager.

Visit our website at [gmo.com](http://gmo.com).

## GMO RESOURCES FUND

|                                    |                               |                        |
|------------------------------------|-------------------------------|------------------------|
| Benchmark                          | MSCI ACWI Commodity Producers |                        |
| Inception Date*                    | December 28, 2011             |                        |
| Total Assets as of 3/31/2024       | \$2.1bn USD                   |                        |
| Morningstar Category               | Natural Resources             |                        |
|                                    | <b>Share Class I</b>          | <b>Share Class III</b> |
| Ticker                             | GEACX                         | GOFIX                  |
| CUSIP                              | 36256V775                     | 362014102              |
| Net Expense Ratio <sup>1</sup>     | 0.82                          | 0.72                   |
| Gross Expensive Ratio <sup>2</sup> | 0.85                          | 0.72                   |
| *Inception Date                    | 1/22/21                       | 12/28/11               |

<sup>1</sup> Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2024. Elimination of this reimbursement will result in higher fees and lower performance.

<sup>2</sup> Gross Expense Ratio is equal to the Fund's Total Annual Operating Expenses set forth in the Fund's most recent prospectus dated June 30, 2023.

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## EXPOSURE BY SEGMENT (%)

| Segment                       | Exposure (%) |
|-------------------------------|--------------|
| <b>Energy</b>                 | <b>59.8</b>  |
| Fossil Fuels                  | 38.8         |
| Solar                         | 9.2          |
| Wind                          | 0.5          |
| Biofuels & Other Clean Energy | 10.4         |
| Energy Equipment & Services   | 0.8          |
| <b>Industrial Metals</b>      | <b>31.0</b>  |
| Diversified Metals & Mining   | 17.0         |
| Copper                        | 8.9          |
| Lithium                       | 3.2          |
| Platinum Group Metals         | 2.0          |
| <b>Agriculture</b>            | <b>4.0</b>   |
| <b>Timber</b>                 | <b>1.1</b>   |
| <b>Water</b>                  | <b>2.6</b>   |
| <b>Cash</b>                   | <b>1.6</b>   |

## COUNTRY WEIGHTS (%)

|                | Portfolio | Benchmark |
|----------------|-----------|-----------|
| United States  | 34.2      | 43.3      |
| United Kingdom | 13.5      | 13.5      |
| Canada         | 10.5      | 11.0      |
| Brazil         | 9.7       | 3.5       |
| Portugal       | 3.4       | 0.2       |
| Mexico         | 2.5       | 0.6       |
| Norway         | 2.5       | 1.2       |
| South Africa   | 2.3       | 1.2       |
| Italy          | 2.2       | 0.9       |
| Spain          | 2.2       | 0.5       |

## CHARACTERISTICS

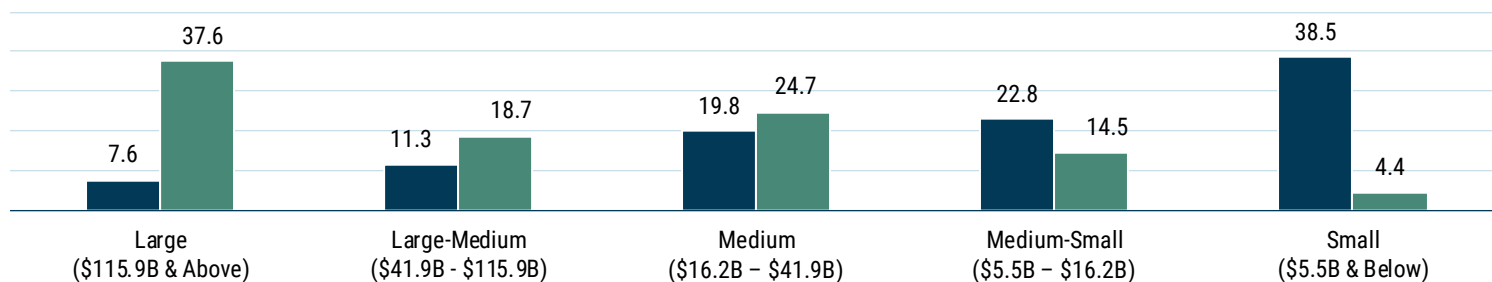
|  | Portfolio | Benchmark |
|--|-----------|-----------|
| Market Cap - Wtd Mdn Bil               | 7.6 USD   | 57.0 USD  |
| Number of Equity Holdings              | 105       | 202       |
| Price/Book - Hist 1 Yr Wtd Avg         | 1.4 x     | 1.7 x     |
| Price/Cash Flow - Hist 1 Yr Wtd Mdn    | 6.2 x     | 7.1 x     |
| Price/Earnings - Forecast 1 Yr Wtd Mdn | 12.3 x    | 12.1 x    |
| Return on Equity - Hist 1 Yr Mdn       | 15.4 %    | 18.0 %    |

## TOP 5 HOLDINGS

| Company                 | Country        | Segment                     | % of Equity   |
|-------------------------|----------------|-----------------------------|---------------|
| Kosmos Energy Ltd       | United States  | Fossil Fuels                | 5.2           |
| Darling Ingredients Inc | United States  | Biofuels & Clean Energy     | 4.8           |
| Glencore PLC            | United Kingdom | Diversified Metals & Mining | 4.5           |
| Ivanhoe Mines Ltd       | Canada         | Copper                      | 4.4           |
| BP PLC                  | United Kingdom | Fossil Fuels                | 3.8           |
| <b>Total</b>            |                |                             | <b>22.7 %</b> |

## MARKET CAP RANGES (%)

■ Portfolio ■ Benchmark



Exposure, country weights, characteristics, and holdings are subject to change. Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying funds in which the asset allocation funds invest and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.

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## PERFORMANCE NET OF FEES (% , USD)

|                                  | <i>MTD</i> | <i>QTD</i> | <i>YTD</i> | <i>1-Year</i> | <i>3-Year</i> | <i>5-Year</i> | <i>10-Year</i> | <i>ITD</i> | <i>Inception</i> |
|----------------------------------|------------|------------|------------|---------------|---------------|---------------|----------------|------------|------------------|
| Resources Fund (Share Class I)   | 6.53       | -4.26      | -4.26      | -3.85         | 1.04          | -             | -              | 1.54       | 1/22/21          |
| Resources Fund (Share Class III) | 6.58       | -4.22      | -4.22      | -3.77         | 1.14          | 8.71          | 6.47           | 6.61       | 12/28/11         |
| MSCI ACWI Commodity Producers    | 7.90       | 4.13       | 4.13       | 9.29          | 13.72         | 7.94          | 3.38           | 3.31       |                  |

**Performance data quoted represents past performance and is not indicative of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein. To obtain performance information to the most recent month-end, visit [www.gmo.com](http://www.gmo.com).**

## ABOUT GMO

Founded in 1977, GMO is a global investment manager committed to delivering superior performance and advice to our clients. Our sole business is investment management, and we are privately owned, which allows us to maintain a singular focus on achieving outstanding long-term outcomes for our clients. Offering solutions across multi-asset class, equity, fixed income, and alternative strategies, we are grounded in a common philosophical belief that a long-term, valuation-based approach will maximize risk-adjusted returns. We also believe that material ESG factors will be determinants of success of the companies and countries in which we invest, and that integrating ESG into investment processes can improve our long-term results. Known for our willingness to challenge the status quo and our creative approach to investment problems, we candidly share our market views and take bold, differentiated portfolio positions when conditions warrant them.

## CONTACT US

For more information on this product please email us at [access@gmo.com](mailto:access@gmo.com) or reach out to your relationship manager.

**Visit our website at [gmo.com](http://gmo.com).**

Returns shown for periods greater than one year are on an annualized basis.

If certain expenses were not reimbursed, performance would be lower. Transaction costs, if any, are paid to the fund to offset the cost of portfolio transactions to invest or raise cash.

**An investor should consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the funds prospectus. To obtain a prospectus please visit [www.gmo.com](http://www.gmo.com). Read the prospectus carefully before investing.** The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

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Risks associated with investing in the Fund may include: (1) Focused Investment Risk: The Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers. (2) Commodities Risk: Commodity prices can be extremely volatile, and exposure to commodities can cause the value of the Fund's shares to decline or fluctuate more than if the Fund had a broader range of investments. (3) Market Risk - Equities: The market price of an equity may decline due to factors affecting the issuer or its industry or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares. For a more complete discussion of these risks and others, please consult the Fund's prospectus.